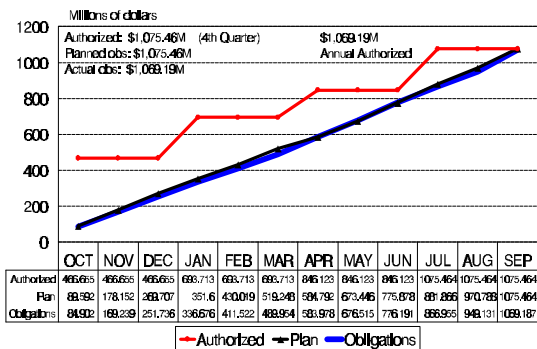


FY 97 DCMC PERFORMANCE REPORT

RESOURCE MANAGEMENT GOALS

Total Budget Execution

FY 97 Budget Execution goal was set at 0.5 percent of total authorized. Total budget execution as of Sep 30, 97 was 99.4 percent. Most excess funding was realigned to accommodate corporate priorities. Underexecution occurred primarily due to prior year accounting adjustments made to the current year (\$5.5M). Without the accounting adjustments, DCMC executed to 99.93 percent. A mix of direct and reimbursable execution resulted in \$0.4M loss to direct authority. The merging of the Northern and Southern Districts' FMS databases caused a \$3.7M reduction in FMS earnings.

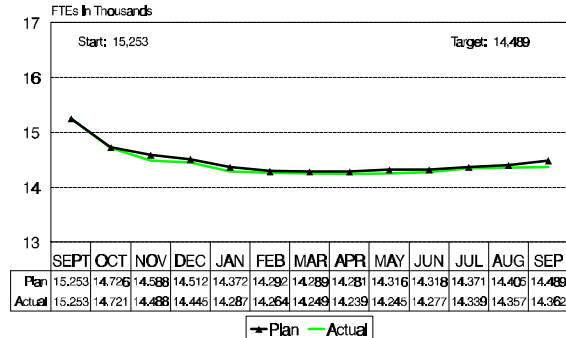


Obligations plan: 99.4%

Improvement Plan: A letter will be issued to DLA FOX regarding prior year obligations. Will also request that the Defense Security Assistance Agency (DSAA) approve stabilized billing rates.

Full-Time Equivalent Execution

The FY 97 FTE goal was 0.5 percent of the total authorized. Total execution at the end of the FY was 99.1 percent. DCMC underexecuted the FY 97 target of 14,489 by 127. The higher than planned VERA/VSIP losses in early FY 97 forced aggressive hiring. Other impacts include Safe Haven and related curtailments following the bombing in Riyadh, Saudi Arabia, and a four-month delay in receiving the National Security Decision Directive (NSDD) 38 approval in Kuwait.



Actual Plan: 99.1%

Improvement Plan: The FY 98 Plans eliminated VSIP except IAW RIF plans, increased emphasis on FTE management, and eliminated the FTE reserve.

MISSION MANAGEMENT GOALS

Right Item

1. Conforming Items.

Goal: Increase from the FY 96 baseline items (source inspected) conforming to product specification.

Was the goal achieved?: Yes

Discussion: DCMC averaged 99.0 percent of the items conforming to specification.

2. Design Defects.

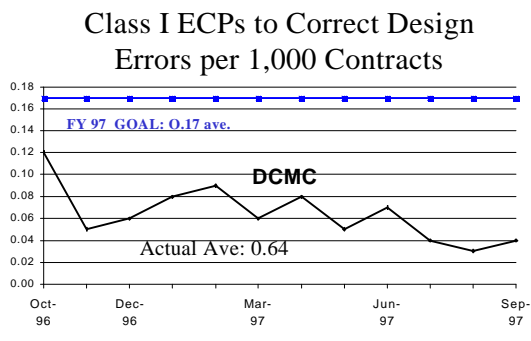
Engineering Change Proposals (ECPs) and Waivers/Deviations (W/Ds).

Goal: Reduce the number of ECPs caused by design errors per 1,000 contracts and number of major/critical waivers and deviations per 1,000 contracts.

Was the goal achieved?: Yes

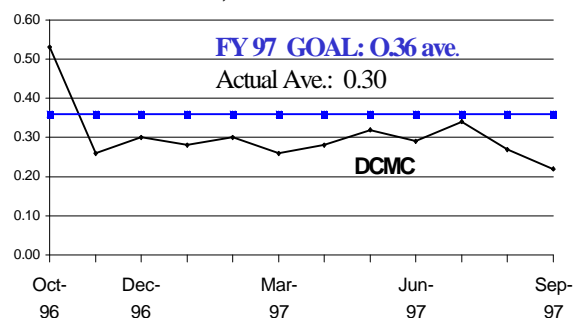
Discussion: Ensure the effectiveness of contractor design and development processes by reducing the number of ECPs and W/Ds.

For ECPs to correct design errors, the FY 97 actual average was .064 compared to a target of .17 per 1,000 contracts. CAOs worked with contractors and buying activities to improve the overall design processes and develop products that are producible, meet functional and performance requirements; and thus reducing the necessity to process ECPs to correct design errors.



For W/Ds, the FY 97 actual average was .30 with a target of .36 per 1,000 contracts. This was achieved through continuous process improvement as CAOs, contractors, and buying activities teamed to reduce the quantity of recurring W/Ds. This was also attributed to the resolution of design and development issues culminating from a multi-year design effort on a major Naval program.

Major/Critical Waivers&Devs per 1,000 Contracts

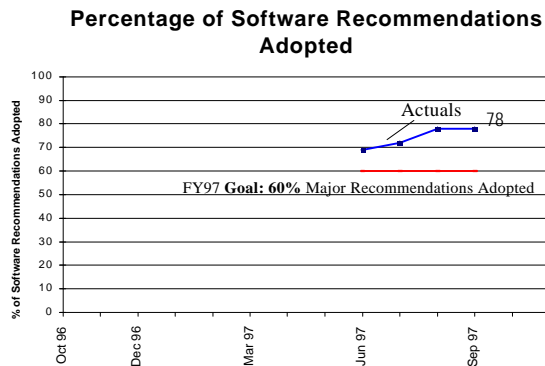


3. Software Recommendations.

Goal: Adopt at least 60 percent of DCMC major software findings/recommendations.

Was the goal achieved?: Yes

Discussion: As of the end of FY 97, 78 percent of major recommendations were adopted. The Software Professional Estimation and Collection System (SPECS) had a positive impact on our ability to exceed our goal by allowing documentation and collection of vital information used by the Software Professionals to track and close recommendations. Software training enhanced the ability of software personnel to identify shortfalls and make useful recommendations.



Right Time

4. Customer Priority List (CPL) Coverage.

Goal: Reply to 100 percent of CPL requests within five working days.

Was the goal achieved?: No

Discussion: The FY 97 target was to reply to 100 percent of CPL requests within five working days. DCMC performance reached a 97 percent response rate. There are two root causes: first, action officers are out of the office (leave/training) without adequate back-up; and second, occasionally, customers send large quantities of CPL requests at one time.

Improvement Plan: It was determined that a 97 percent response rate was acceptable and the goal will not be added to the FY 98 plan.

5. Engineering Change Cycle Time.

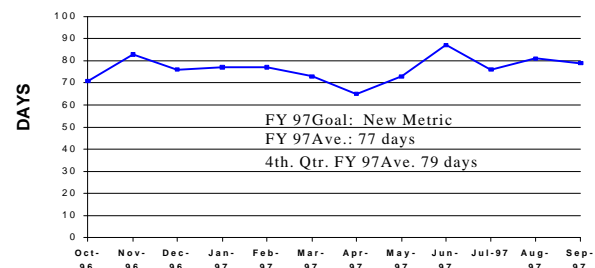
Goal: Reduce Class I Engineering Change Proposal (ECP) cycle time.

Was the goal achieved? Yes

Discussion: Ensure timeliness of Class I ECP implementation by reducing Class I ECP cycle time (from contractor submission to Procuring Contracting Officer (PCO) disposition). The average DCMC cycle time is 15 days. Open ECPs have been reduced from 1400 in Jan 97 to 700 as of the end of the FY. In FY 98, DCMC

will determine which programs are cycle time drivers, provide data to buying offices on causes for high cycle time ECPs, and provide Open Systems training.

Class I ECP Cycle Time (Contractor submission to PCO disposition)



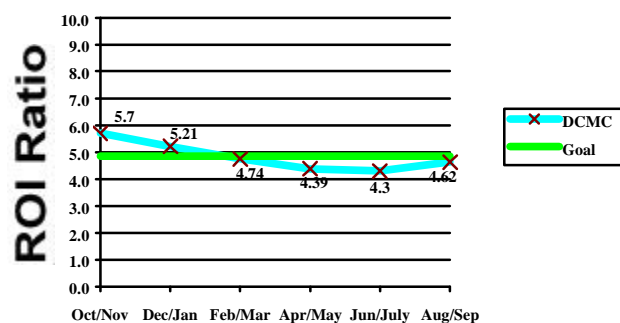
Right Price

6. Return on Investment (ROI).

Goal: Increase overall DCMC ROI by 10 percent over the FY 96 baseline.

Was the goal achieved?: No

Discussion: FY 97 ROI goals of 10 percent equates to 4.85 dollars saved/avoided for each DCMC dollar of actual operating costs. The FY 97 performance reached \$4.62 in cost savings and avoidance. The primary shortfall was in the Process Improvement category. Single Process Initiative (SPI) cost savings/avoidances, however, made a very positive contribution.



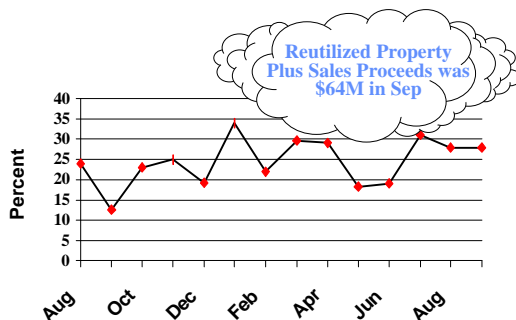
Improvement Plan: Concentrate on the top process drivers. The major process drivers for FY 97 were Contracting Officer Price Negotiations, Process Improvements, Government Property Reutilization, and Product Noncompliances. These four process drivers accounted for almost \$3.6B of the \$4.4B realized in cost savings/ avoidances or approximately 82 percent.

7. Return on Assets (ROA) on Property from Plant Clearance.

Goal: Maintain ROA at the FY 96 baseline.

Was the goal achieved?: Yes

Discussion: ROA in FY 97 was 26 percent, which compares favorably with the Defense Reutilization and Marketing Service 13 percent. In FY 98 the goal will be a 10 percent increase in ROA. New FAR policies should favorably impact this metric. The development of the Plant Clearance Automated Reutilization Screening System (PCARRS) will significantly increase reutilization of excess property by making the property more widely available.



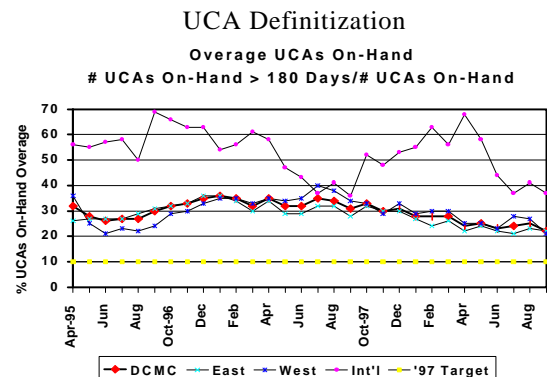
8. Unpriced Contractual Actions (UCA) Definitization.

Goal: Reduce the percentage of overage UCAs on hand to 10 percent or less.

Was the goal achieved?: No

Discussion: UCA Definitization is assessed based on the percentage of all UCAs (including

change orders) on hand awaiting definitization that are “overage” based on our internal standard of 180 days after issuance of the contract action. The DCMC FY 97 performance reached 22 percent. Contributing factors were the inability of the cognizant CAOs to secure adequate funding for definitization from the buying offices, inability of the CAOs to ensure timely and adequate contractor proposals, and receipt of delegations from buying offices of UCAs that were already overage. However, successful approaches and technique were sought, obtained, and shared. DCMC also publicized our efforts on our web site.



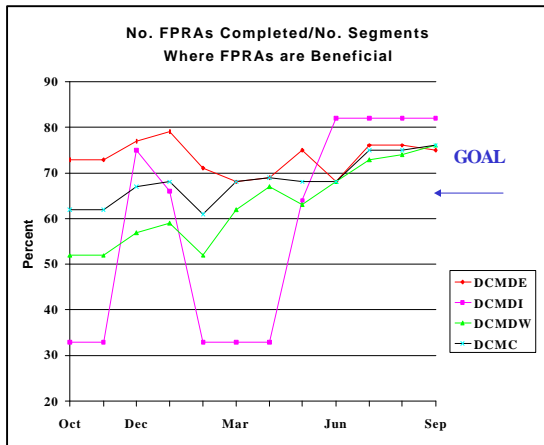
Improvement Plan: Deploy the Pricing and Negotiation module of the Automated Metrics System (AMS) (allows us to look at overage UCA dollars, facilitates local management/ analysis of process). Continue our recently initiated PIO study. Begin testing commercial parametric cost estimating software. Coordinate with the PCOs in buying offices to obtain necessary funding.

9. Forward Pricing Rate Agreements (FPRA) Coverage.

Goal: Negotiate FPRAs at 60 percent of the beneficial sites.

Was the goal achieved?: Yes

Discussion: Beneficial sites are defined as those locations with either major weapon program contracts or those sites awarding numerous and routine fixed priced contracts such as spare parts. The FY 97 performance exceeded the target at 76 percent.

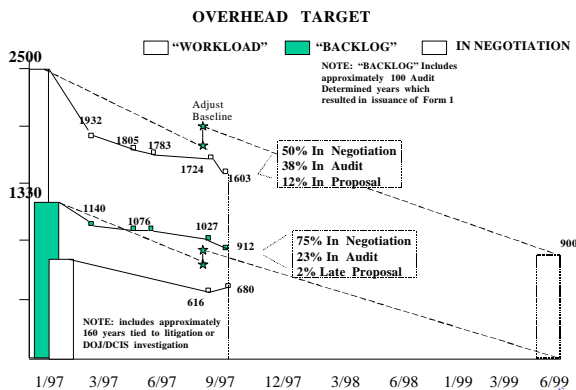


10. Open Overhead Negotiations.

Goal: Reduce the number of open overhead negotiations to an average of two years per location (about 800 open overhead years DCMC-wide).

Was the goal achieved?: No

Discussion: DCMC began the FY with over 2,100 open years, as of Sep 30, there are 1,603 open overhead years. Of the years in negotiation, a number are being held up due to reasons beyond the ACOs control (environmental issues, litigation, awaiting DCAA audit reports, under investigation by DoD/DCIS/DoJ, and corporate flowdowns).



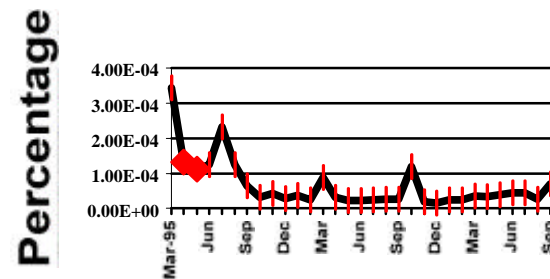
Improvement Plan: Continue our efforts to reduce the number of open years. Adjust the number of 800 or our timeline because DCAA will not be completing the audits on non-major contractors within 12 months. Also litigation and other issues will delay some settlements.

11. Dollar Value of Lost/Damaged/Destroyed (LDD) Government Property.

Goal: Maintain the dollar value of LDD at the FY 96 baseline of \$30 million.

Was the goal achieved?: No

Discussion: During FY 97 DCMC increased the amount of LDD to \$2 million over the FY 96 baseline of \$30 million. Failure to meet the goal was due to two isolated incidents. A consolidation of the Lowell and Andover, MA, facilities required a records database change to a different system during which a lot of moved property was unaccounted for. The second incident involved a corporate consolidation causing movement of property from San Diego, CA, to Tucson, AZ. Inefficient inventory practices caused the loss of accountability for some property between the two locations.



Improvement Plan: New FAR policies for property under \$5,000 could impact this metric resulting in less LDD reported. The FY 98 goal will be a 15 percent reduction in LDD.

Right Advice

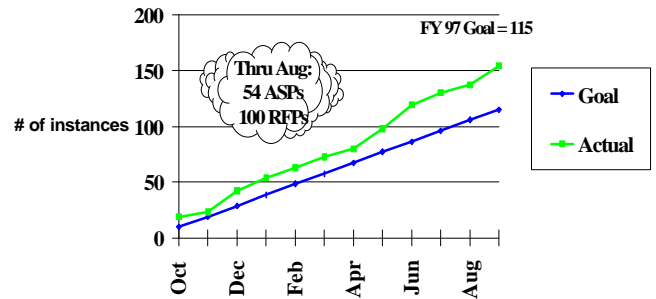
12. Participation in Acquisition Strategy Panels (ASPs) and Request for Proposal (RFP) Reviews.

Goal: Increase DCMC-wide participation on ASP and RFP review and analysis activity by 20 percent over FY 96.

Was the goal achieved?: Yes

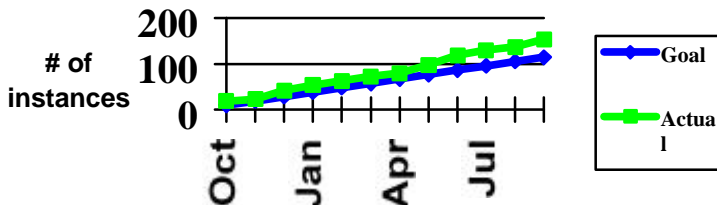
Discussion: Continually improve the process to help customers craft better contracts and make better contractor selection. The FY 97 performance was a 27 percent increase over the FY 96 baseline. Target was met as a result of an aggressive Early CAS marketing campaign by CAO Early CAS monitors and the Districts.

ASP & RFP Participation - Repeat Business (Cumulative # of instances to date - FY 97)



59

ASP & RFP Participation - Repeat Business (Cumulative # of instances to date - FY 97)



13. Repeat Requests for Early CAS.

Goal: Increase customer repeat requests for support by 10 percent over the FY 96 baseline of 105.

Was the goal achieved?: Yes

Discussion: DCMC attained a 47 percent increase in repeat requests. There were a total of 154 repeat requests compared to 105 in FY 96.

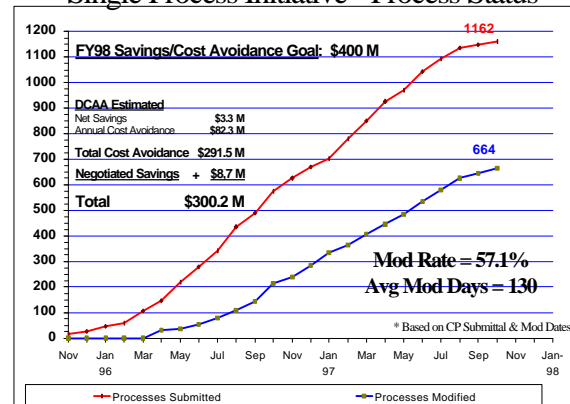
14. Single Process Initiative (SPI).

Goal: Monitor the number of processes submitted that result in block change modifications.

Was the goal achieved?: Yes

Discussion: Number of processes submitted which have resulted in block change modifications being issued. During FY 97, 1162 processes were submitted and 664 processes modified at a rate of 57.1 percent. In FY 98 DCMC intends to double the number of top 200 defense contractors from 30 to 60 and to get 100 suppliers involved in SPI. We will also help to improve the quality of processes submitted.

Single Process Initiative - Process Status



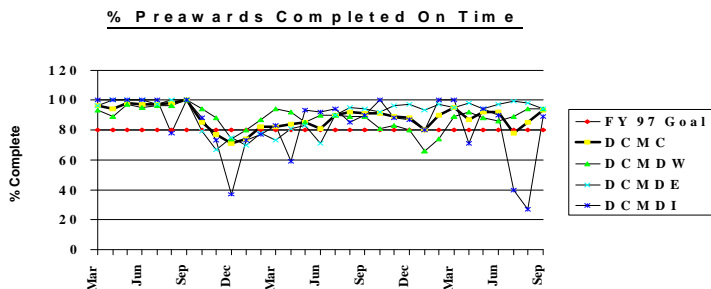
15. Preaward Survey Timeliness.

Goal: Complete 80 percent of the Preaward Surveys on or before the original date required by the buying activity.

Was the goal achieved?: Yes

Discussion: The cumulative average for FY 97 was 88 percent. An enhanced version of the Preaward Survey System was developed, tested, and deployed providing significant improvements in conducting preaward surveys with greater efficiency.

Preaward Survey Timeliness



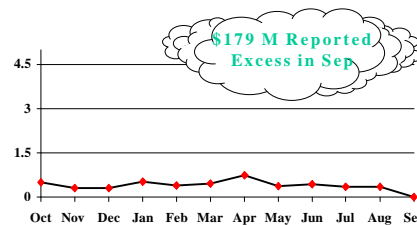
16. Excess Property.

Goal: Maintain excess property at the FY 96 baseline.

Was the goal achieved?: Yes

Discussion: Reduce the amount of Government property in the contractor's possession. There was \$1.8B in property reported as excess as compared to \$1.9B in FY 96. In order to meet this goal, CAOs completed utilization reviews and Districts monitored the utilization review completion rates, provided technical assistance, and provided general support to the property administrators. Management Reform Memorandum (MRM) number 5 implementation should drive a decrease over time.

Percent of Property Reported Excess



Right Reception

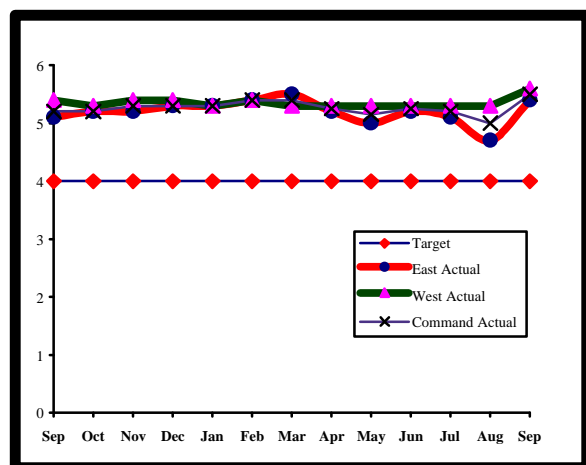
17. Customer Satisfaction.

Goal: Attain an overall DCMC Customer Satisfaction rating of 4.0.

Was the goal achieved?: Yes

Discussion: Maintain overall customer satisfaction level greater than 4.0 on a 1.0 to 6.0 scale. Program/Commodity Managers and their PCOs rated DCMC at 5.3. Actions contributing to the success include improved survey questions to clarify intent, creation of a new database of customer survey responses, and establishment of a network with Process Champions and Program Integrators through the Automated Metrics. Customers indicated particular satisfaction with On-Time Delivery, SPI, and the Customer Liaison Program.

Customer Satisfaction



18. Trailer Cards.

Goal: Achieve trailer card rating of 4.0.

Was the goal achieved?: Yes

Discussion: Field activities continue to solicit customer satisfaction information via trailer cards. DCMC attained a rating of 5.55 on a scale of 1.0 to 6.0 with a goal of 4.0. Customers increased their response rate of trailer cards due to the immediate feedback they received from our field offices on issues and concerns.

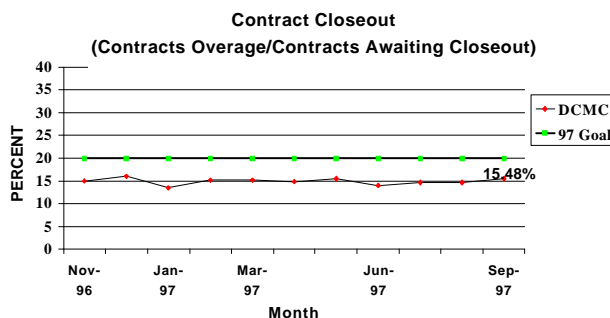
Right Efficiency

19. Contract Closeout/Overage Contracts.

Goal: Ensure that not more than 20 percent of physically completed contracts are overage at closeout.

Was the goal achieved?: Yes

Discussion: The FY 97 goal was to continually improve all facets of the contract closeout process such that not more than 20 percent of physically completed contracts are overage at closeout. DCMC closed the year with 15.78 percent overage contracts at closeout. DCMC will continue to improve the contract closeout process in FY 98. Anticipated improvements include implementing contract reconciliation procedures such as the Negotiated Reconciliation Process and Contract Reconciliation Software (CRS).

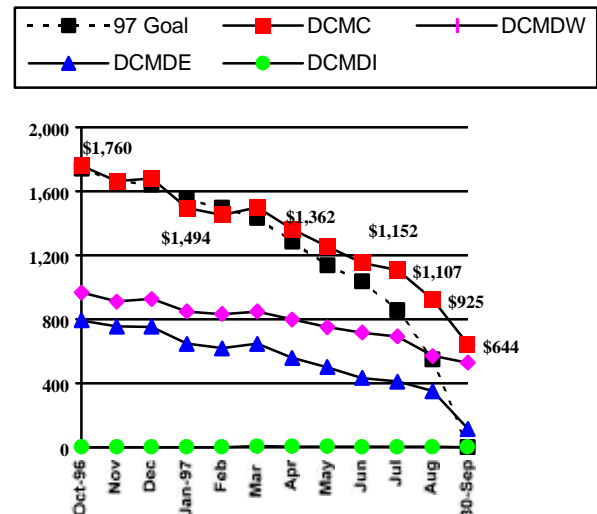


20. Canceling Funds.

Goal: Reduce the amount of canceling funds to \$0.

Was the goal achieved?: No

Discussion: This metric tracks funds which cancel at the end of the FY. The goal was to reduce the unliquidated funds at risk of canceling to \$0 by the end of the FY. The year began with \$1.8B scheduled to cancel; per MOCAS \$644M did cancel. Obstacles to achieving the goal include: Progress Payments disbursed but not liquidated, contracts in litigation, Defense Finance and Accounting Service (DFAS) reconciliation required, funds determined to be excess were not deobligated.



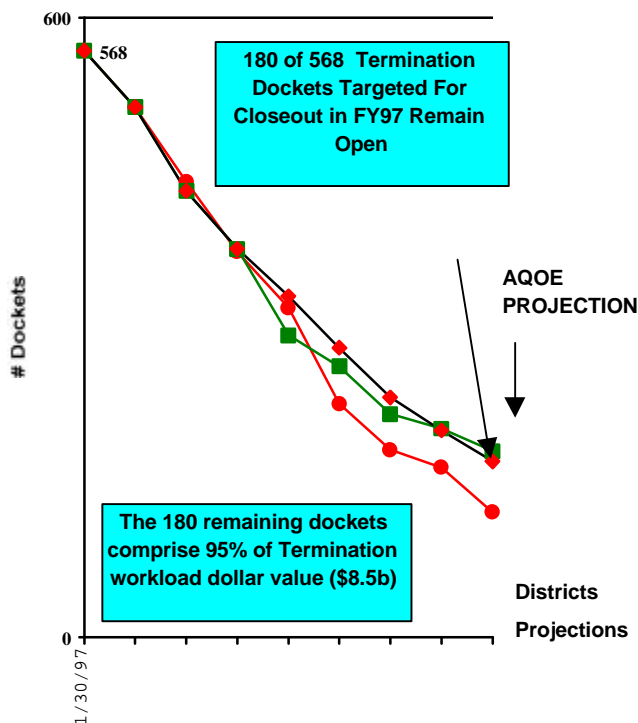
Improvement Plan: DCMC is developing a canceling funds chapter for inclusion in the Contract Closeout guidebook with a standardized monthly reporting form for all field offices. The monthly report will identify canceling fund dollars by reason and help to identify problem areas and allow for timely corrective actions. DCMC has had meetings with DFAS to plan ways to improve performance.

21. Termination Actions.

Goal: Ensure that no termination dockets over 730 days remain open at the end of the FY.

Was the goal achieved?: No

Discussion: At the end of the FY, 180 termination dockets over 730 days remained open. Remaining dockets consist of cases in litigation or awaiting subcontract settlements, overhead negotiations, DFAS reconciliation, protracted settlement negotiations, and revised proposal submissions.



Improvement Plan: The zero target gave DCMC visibility of problems. In FY 98, DCMC will reduce termination cycle time to less than 450 days for any given docket.

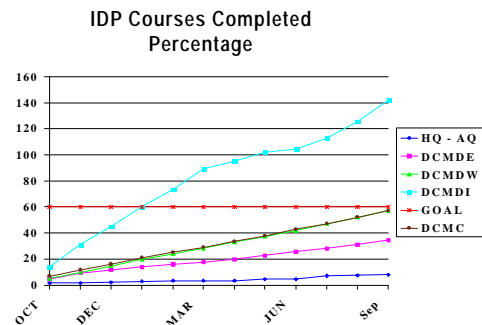
Right Talent

22. Individual Development Plan (IDP) Courses Completed.

Goal: Complete 60 percent of courses identified on IDPs.

Was the goal achieved?: No

Discussion: DCMC did not meet the goal closing the FY with 57 percent of identified courses completed. Budget constraints were the major factor in not meeting this goal.



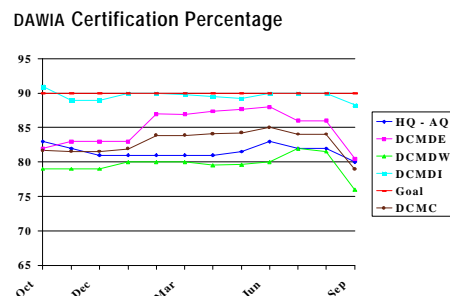
Improvement Plan: A policy letter was issued stressing the importance of correct identification of courses. Training was conducted at the Districts to improve the IDP process of identifying courses, not making the IDP a “dream sheet.”

23. DAWIA Certification.

Goal: Ensure that 90 percent of Acquisition Workforce employees are certified.

Was the goal achieved?: No

Discussion: The DCMC target was to have 90 percent of Acquisition Workforce employees certified at the level and in the career field of their current position. Currently, 79 percent of our Acquisition Workforce employees are certified at the appropriate levels.



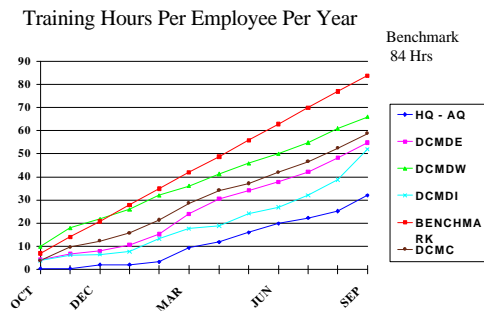
Improvement Plan: A letter was issued emphasizing attendance at DAWIA courses. In the process of determining the root causes of non-certification. The information in the database is being updated to reflect the correct certification levels.

24. Training Hours.

Goal: Attain 84 hours of training per employee per year.

Was the goal achieved?: No

Discussion: The FY 97 training hours goal was the industry benchmark of 84 hours per employee. DCMC achieved 58 hours per employee. Budget constraints was the major factor in not meeting this goal as well as incomplete reporting of PLAS hours in training codes.



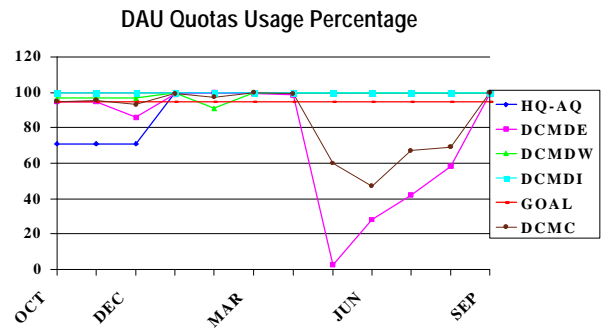
Improvement Plan: PLAS codes have been implemented to track training hours. District oversight will be increased.

25. Defense Acquisition University (DAU) Quota Usage.

Goal: Attain a DAU quota usage rate of 90 percent.

Was the goal achieved?: Yes

Discussion: This success was accomplished by placing employees on waiting lists for classes for which no quotas were received and taking advantage of last minute cancellations to make use of available vacancies.



PERFORMANCE GOALS

Performance Goal 1.1.1. Continually improve the process to help customers craft better contracts and make better contractor selections. This goal is reported under Right Advice, paragraphs 12 and 13.

Performance Goal 1.2.1. Increase the percentage of items (source inspected) conforming to product specifications. This goal is reported under Right Item, paragraphs 1, 2 and 3; and Right Time, paragraph 5.

Performance Goal 1.2.2. Improve, by 5 percent over the FY 96 baseline, the number of contract line items delivered to the original delivery schedule. This goal is not rated pending installation of a Command-wide tracking system.

Performance Goal 1.2.3. Increase overall DCMC Return on Investment by 10 percent over the FY 96 baseline. This goal is reported under Right Price, paragraph 6.

Performance Goal 1.3.1. Continually improve all facets of the contract closeout process such that not more than 20 percent of physically completed contracts are overage for closeout. This goal is reported under Right Price, paragraph 10; and Right Efficiency, paragraph 19.

Performance Goal 2.1.1.

Goal: Incrementally expand Joint Logistics Commanders Acquisition Pollution Prevention Initiative (AP2I) to additional contractor sites.

Was the goal achieved?: Yes

Discussion: DCMC is designated as the lead agency for implementing AP2I within contractor facilities and for integrating AP2I with the SPI program. AP2I follows the same ground rules as SPI but includes two additional phases: (1) preparation of test protocol and business plan, and (2) validation phase (testing and reporting of alternative, more environmentally friendly, manufacturing processes). These additional phases increase the target completion date from 120 days (for SPI) to 420 (for AP2I). Currently, there are seven test sites. The contractors have

met with representatives from Concurrent Technologies Corporation (a DoD JG-APP consultant contractor) to discuss development and submittal of an environmental-related concept paper. DCMC continues to monitor the contractor's progress and provide any necessary assistance.

Performance Goal 2.1.2.

Goal: Establish, maintain, and improve a dynamic surveillance process that senses and satisfies customer needs.

Was the goal achieved?: Yes

Discussion: A Product and Manufacturing Assurance Guidebook was published. ALERTS Phase I has been implemented CONUS-wide and implementation in District International has started. ALERTS Phase II development has been completed and all requirements have been captured and submitted to the contractor.

Performance Goal 2.1.3.

Goal: Continue to identify/define and implement actions necessary to ensure that DCMC is positioned to remain a key player in the DoD acquisition process in the 21st Century.

Was the goal achieved?: Yes

Discussion: DCMC implemented a Lead Commanders concept. Lead Commanders are responsible for implementing policies and procedures that foster sharing best practices across segments of a corporation. DCMC evaluated the Systems Engineering Capability Maturity Model (SE CMM) developed by the Software Engineering Institute. There is widespread acceptance of the Model by industry and SE CMM describes essential system engineering tasks, provides a road map for process improvement, and provides a process measurement tool. This course was found suitable for DCMC, 30 personnel were trained in August in SE CMM and Appraisal Method. Training of additional personnel is requested in FY 98.

Performance Goal 2.1.4.

Goal: Improve the effectiveness and efficiency of all our communication efforts as measured by the accomplishment of specific elements in the plan.

Was the goal achieved?: Yes

Discussion: Enhancements in place are: Biannual Commander's Conferences, Monthly Executive Council Meetings, Monthly Commander's Forum, Monthly Commander's Call at HQ, Think Tank Meetings every other month, Operation Chiefs Meetings every other month, Monthly Business Process Team Meetings, Customer Information Network, Monthly Event Calendar, Biweekly Video-teleconferences, CAO Commanders Roundtable, and the Retread Award.

Performance Goal 2.1.5.

Goal: Continually improve and enhance organization and processes used to deliver quality products and services to our customers.

Was the goal achieved?: No

Discussion: During FY 97 DCMC converted to web-based (html) format and put policies, procedures, and guidance to the entire DCMC workforce on the Home Page. Not all chapters of the One Book have been placed on the Home Page, this will be completed during FY 98.

Improvement Plan: Complete posting of all chapters to the Home Page.

Performance Goal 2.1.6.

Goal: To support information technology initiatives by deploying 90 percent of the projects selected in the Information Resources Management (IRM) plan on schedule (by the target completion date committed to in the IRM plan).

Was the goal achieved?: No

Discussion: The net number of projects scheduled for FY 97 was 19, of which 10 were complete (53 percent). Major root causes of slippages were overly ambitious schedules, requirements definition process, and client-server inexperience.

IT Initiatives

• FY 97 Results:

Total	23
# Unfunded/Terminated FY97	(4)
Net Projects	19
# Complete	10
% Complete	53%

Improvement Plan: In FY 98 DCMC will have a tighter interface between functionals, project officers and developers; assess technical training requirements and implement a training plan; integrate a FY 98 total life cycle schedule; and mandatory CMM level II/III training.

Performance Goal 2.1.7.

Goal: Develop and deploy a small quantity of outcome-oriented performance measures which best portray DCMC's performance of its core processes.

Was the goal achieved?: Yes

Discussion: DCMC fielded new input screens for 23 applications of the AMS, fielded new versions of PowerPlay and Impromptu, designed and distributed the PowerPlay Desktop Reference, certified PowerPlay/Impromptu instructors, conducted PowerPlay/Impromptu on-site training, and developed and posted input screen training material.

Performance Goal 2.1.8.

Goal: Package DCMC-wide data for the customer in a comprehensive, timely, and user-friendly manner to assist in such areas as past performance evaluation and source selection, acquisition strategy and RFP structure, content, and contract status.

Was the goal achieved?: Yes

Discussion: DCMC used the Contractor Information Service (CIS) to “package” the information DCMC possesses about contractors. CIS will also contain links to DCMC and other government databases. CIS will use World-Wide-Web technology to provide access to selected DCMC contractor information in a secured environment. CIS will be completed in increments. Increment one which redesigned the existing Preaward Survey System (PASS) and developed the Contractor Performance Reporting System (CPRS) for assessing contractor performance has been completed. Increment two requires designing a CIS “web page” front end to access PASS, Contractor’s Systems Status Table, and links to the Debarment List and Commercial and Government Entity (CAGE) Codes.

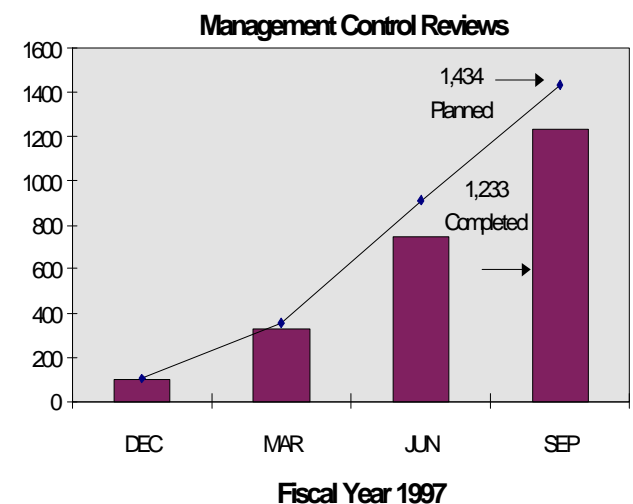
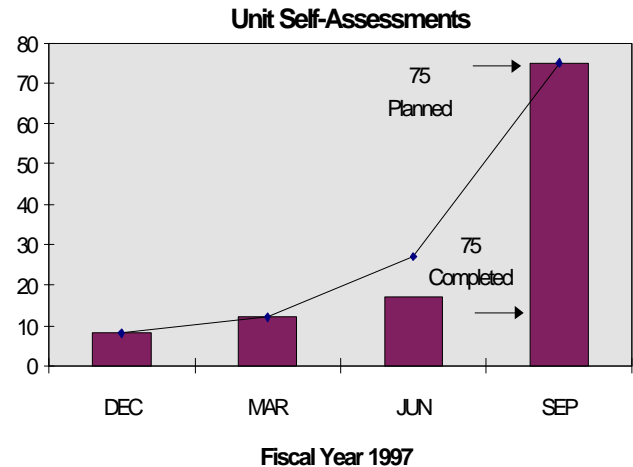
Performance Goal 2.2.1.

Goal: Use the results of Performance Based Assessment to better structure and utilize the workforce.

Was the goal achieved?: No

Discussion: The Performance Based Assessment Model was deployed to all resident offices as of January 1997.

Improvement Plan: Deployment to geographical offices will be completed in FY 98.



Performance Goal 2.3.1.

Goal: Improve mission and support processes by conducting Management Control Reviews (MCRs) and Unit Self-Assessments (USAs). Incorporate gaps and weaknesses (areas for improvement) into the planning process and eliminate them through corrective action.

Was the goal achieved?: Partially

Discussion: All USAs were completed. Of the 1,434 planned MCRs, 1,233 were completed.

Improvement Plan: A letter was sent to the field addressing the shortfall and carry over actions for FY 98.

Performance Goal 2.3.2.

Goal: Assess organizational performance through the accomplishment of 30 Internal Operations Assessments (IOAs) during FY 97.

Was the goal achieved?: Yes

Discussion: Thirty-one IOAs were completed.

Performance Goal 2.3.3.

Goal: Benchmark the Distributed Computing Process.

Was the goal achieved?: Yes

Discussion: DCMC used the Gartner Group to study our Distributed Computing Processing comparing DCMC metrics to our industry counterparts. This study was complete and recommendations provided. This study concentrated on the CONUS offices. During FY 98, a follow-on study will be conducted in District International. Follow-up actions from the FY 97 study to determine improvements will be conducted during FY 99.

Performance Goal 2.3.4.

Goal: Explore the use of Alternate Oversight approaches and other methods to enhance operational efficiency at various CAO locations throughout DCMC.

Was the goal achieved?: Yes

Discussion: A test was conducted on the Contractor Self-Oversight (CSO) approach to be used to improve DCMC's contract administration policies and practices. The results of the test were briefed to the Under Secretary of Defense (Acquisition and Technology) and DCMC published policy making CSO available to DCMC CAOs as an optional tool. DCMC also explored the impact of the general movement away from the traditional cost-based contract pricing approach; specifically, what services will be in demand and what is our ability to meet that demand. DCMC conducted two studies: the first, the Parametric Cost Estimating Software Study was completed by the DLA Operations Research Office (DORO) in Feb 97. DORO found that Commercial Off-The-Shelf (COTS) software was available and that our idea is viable. DCMC is proceeding with an operational test at 10 CAOs during FY 98. The second, IASO Market Research Service performed several of these projects during FY 97 and will continue to develop this service during FY 98.

Performance Goal 2.3.5.

Goal: Refine assessment processes.

Was the goal achieved?: Yes

Discussion: One Book, Part II, Chapter 9, establishing IOA follow-up processes and incorporating the Management Control Program was implemented in March 1997. The Assessment Reporter was published and was well received.

Performance Goal 3.1.1.

Goal: Reduce facilities costs by bringing the square footage of office space into compliance with the DLA standard average of 130 square feet net per person and by moving offices from leased space into DoD space.

Was the goal achieved?: Yes

Discussion: The FY began with 50 offices out of compliance. The offices were reviewed and plans developed. All but 10 offices are now within the standard average reducing 218,024 square feet with a possible savings of \$4,360,480 per year. In FY 98 DCMC will continue to review facilities and develop plans for space reduction.

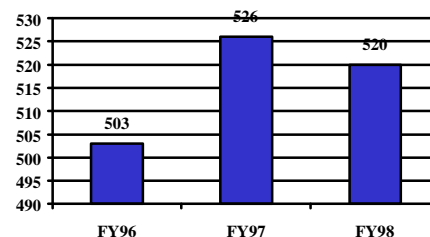
Performance Goal 3.1.2.

Goal: Reduce the number of high grade positions, (grades 14, 15, and senior executive service) by 4 percent DCMC-wide.

Was the goal achieved?: No

Discussion: The FY 97 target was 520 high grade positions, DCMC closed the FY with 526 high grades.

HIGH GRADES



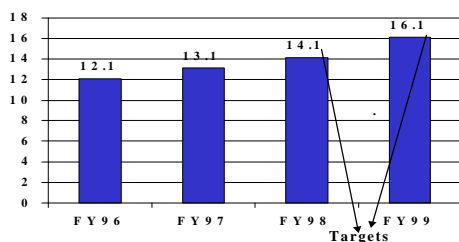
Improvement Plan: During FY 98 DCMC will review the high grade positions in the SPI Center, Earned Value Center, Software Center, Customer Liaisons, and Senior Field Advisors.

Performance Goal 3.1.3.

Goal: Increase the civilian supervisory ratio to 13:1 (13 civilian employees to one civilian supervisor) at DCMC HQ and field activities.

Was the goal achieved?: Yes

Supervisory Ratio



Discussion: DCMC met the ratio by developing plans to reduce the number of supervisory positions and reviewing position descriptions.

Performance Goal 3.1.4.

Goal: Implement Unit Cost Management.

Was the goal achieved?: Yes

Discussion: All specified tasks in developing the system are complete. The program is on track with the OSD monitored milestones in the Concept of Operations. DCMC is working to ensure proper PLAS reporting and monitoring the PLAS usage rate. The usage rate goal is 95 percent, offices are at 97.5 percent. For FY 98 the usage rate goal will be increased to 98 percent. An emphasis on PLAS reporting will be continued, activities will be monitored to ensure compliance by all offices.

Performance Goal 3.2.1.

Goal: Develop and implement an integrated planning, programming, budgeting, execution, and assessment management system.

Was the goal achieved?: No

Discussion: Working on a revised plan of action to fully implement the Integrated Management System (IMS).

Improvement Plan: A team has been established to map out the IMS and develop training modules to institutionalize the process.

Performance Goal 3.3.1.

Goal: Improve those elements of the work environment that enhance employees' well being, satisfaction, and productivity.

Was the goal achieved?: No

Discussion: Overall performance of the initiative was managed. Based on the assessment of Coordinator skill levels and feedback from Coordinators, additional training and consulting support was added in the fourth quarter, support was rendered to all three Districts. These additions were not in the original plan/schedule and impacted the final phase of the overall schedule.

Improvement Plan: Areas For Improvement (AFIs) have been identified and strategies are being defined. Currently progressing to completion in the first quarter of FY 98.

Performance Goal 4.1.1. Maintain overall customer satisfaction level greater than 4.0 on a 1.0 to 6.0 scale across ACAT PMs and their PCOs and Commodity Managers and their PCOs. This goal is covered under Right Reception, paragraph 17.

Performance Goal 4.1.2. Field activities continue to solicit customer satisfaction information via trailer cards. This goal is covered under Right Reception, paragraph 18.

Performance Goal 4.2.1.

Goal: Implement risk management in the reimbursable budget process and improve forecasting, reporting, and billing procedures and processes.

Was the goal achieved?: Yes

Discussion: A team was chartered and the recommendations presented to the Resource

Utilization Council (RUC). These recommendations include an annual Foreign Military Sales (FMS) CAS ratio, a Command CAS ratio instead of a District ratio, and centralized preparation of FMS bills. DCMC is coordinating with DSAA to implement the recommendations.

Performance Goal 5.1.1. Establish, maintain, and improve a strategic workforce development system that addresses current and future skills needed to satisfy customer requirements. This goal was reported under Right Talent, paragraphs 22, 23, and 24.

Performance Goal 5.2.1.

Goal: Improve labor management relations within DCMC.

Was the goal achieved?: Yes

Discussion: The number of partnership agreements with local unions have increased 3 percent. Grievances have decreased by 79 percent, and the number of Unfair Labor Practices has decreased 59 percent.